

INTERNAL SERVICE FUNDS

The Equipment Maintenance and Replacement Fund accounts for equipment maintenance services provided to other funds and the replacement of certain equipment.

The Workers' Compensation Insurance Fund accounts for the City's self-insurance program for Workers' Compensation benefits and for the administration of safety and loss prevention programs.

The Unemployment Self-Insurance Fund accounts for State and Federal-mandated unemployment insurance benefits for employees.

The Liability Self-Insurance Fund accounts for the City's general liability self-insurance program.

The Retirees' Health Plan Fund accounts for the health plan expenses incurred for retired City employees.

The Employee Benefits Plan Fund accounts for the City's self-insurance retention health plan, vision, and other benefits for City employees.

CITY OF MOUNTAIN VIEW, CALIFORNIA**Internal Service Funds****Combining Statement of Net Assets****June 30, 2003 (Dollars in Thousands)**

	<u>Equipment Maintenance/ Replacement</u>	<u>Workers' Compensation Insurance</u>	<u>Unemployment Self-Insurance</u>	<u>Liability Self-Insurance</u>
Asset:				
Cash and investments	\$ 12,471	4,657	569	4,730
Restricted cash and investments	0	62	0	984
Receivables:				
Interest	145	55	7	56
Machinery and equipment	264	0	0	0
Accumulated depreciation	<u>(194)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total assets	<u>12,686</u>	<u>4,774</u>	<u>576</u>	<u>5,770</u>
Liabilities:				
Accounts payable and accrued costs	74	18	0	15
Accrued compensated absences	132	0	0	0
Accrued self-insurance costs	<u>0</u>	<u>3,509</u>	<u>0</u>	<u>324</u>
Total liabilities	<u>206</u>	<u>3,527</u>	<u>0</u>	<u>339</u>
Net Assets:				
Invested in capital assets	70	0	0	0
Unrestricted	<u>12,410</u>	<u>1,247</u>	<u>576</u>	<u>5,431</u>
Total net assets	<u>\$ 12,480</u>	<u>1,247</u>	<u>576</u>	<u>5,431</u>

<u>Retirees'</u> <u>Health Plan</u>	<u>Employee</u> <u>Benefits Plan</u>	<u>Total</u>
11,838	328	34,593
0	0	1,046
145	4	412
0	0	264
0	0	(194)
<u>11,983</u>	<u>332</u>	<u>36,121</u>
2	0	109
0	0	132
0	0	3,833
<u>2</u>	<u>0</u>	<u>4,074</u>
0	0	70
<u>11,981</u>	<u>332</u>	<u>31,977</u>
<u>11,981</u>	<u>332</u>	<u>32,047</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA**Internal Service Funds****Combining Statement of Revenues, Expenses and****Changes in Fund Net Assets****For the Year Ended June 30, 2003 (Dollars in Thousands)**

	<u>Equipment Maintenance/ Replacement</u>	<u>Workers' Compensation Insurance</u>	<u>Unemployment Self-Insurance</u>	<u>Liability Self-Insurance</u>
Operating revenues:				
Charges for services	\$ 1,542	0	0	798
Other	85	1,208	47	1,020
	<u>1,627</u>	<u>1,208</u>	<u>47</u>	<u>1,818</u>
Total operating revenues				
Operating expenses:				
Salaries and related expenses	913	96	0	0
Self-funded insurance	0	952	65	834
General and administrative	1,782	146	2	63
Depreciation	15	0	0	0
	<u>2,710</u>	<u>1,194</u>	<u>67</u>	<u>897</u>
Total operating expenses				
Operating income (loss)	<u>(1,083)</u>	<u>14</u>	<u>(20)</u>	<u>921</u>
Nonoperating revenues (expenses):				
Interest income	688	263	33	246
	<u>688</u>	<u>263</u>	<u>33</u>	<u>246</u>
Net nonoperating revenues				
Income (loss) before transfers	<u>(395)</u>	<u>277</u>	<u>13</u>	<u>1,167</u>
Transfers:				
Transfers in	1,599	0	0	0
Transfers (out)	(74)	0	0	0
	<u>1,525</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net transfers				
Change in net assets	1,130	277	13	1,167
Beginning net assets	<u>11,350</u>	<u>970</u>	<u>563</u>	<u>4,264</u>
Ending net assets	<u>\$ 12,480</u>	<u>1,247</u>	<u>576</u>	<u>5,431</u>

<u>Retirees'</u> <u>Health Plan</u>	<u>Employee</u> <u>Benefits Plan</u>	<u>Total</u>
125	65	2,530
18	0	2,378
<u>143</u>	<u>65</u>	<u>4,908</u>
0	0	1,009
0	10	1,861
733	55	2,781
0	0	15
<u>733</u>	<u>65</u>	<u>5,666</u>
<u>(590)</u>	<u>0</u>	<u>(758)</u>
<u>701</u>	<u>19</u>	<u>1,950</u>
<u>701</u>	<u>19</u>	<u>1,950</u>
<u>111</u>	<u>19</u>	<u>1,192</u>
0	0	1,599
0	0	(74)
<u>0</u>	<u>0</u>	<u>1,525</u>
111	19	2,717
<u>11,870</u>	<u>313</u>	<u>29,330</u>
<u>11,981</u>	<u>332</u>	<u>32,047</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA**Internal Service Funds****Combining Statement of Cash Flows****For the Year Ended June 30, 2003 (Dollars in Thousands)**

	<u>Equipment Maintenance/ Replacement</u>	<u>Workers' Compensation Insurance</u>	<u>Unemployment Self-Insurance</u>	<u>Liability Self-Insurance</u>
Cash flows from operating activities:				
Receipts from customers	\$ 1,627	1,208	47	1,818
Payments to suppliers	(1,827)	(157)	(2)	(66)
Payments to employees	(901)	(96)	0	0
Internal activity - payments to other funds	(18)	0	0	0
Claims paid	0	(1,187)	(65)	(735)
	<u>(1,119)</u>	<u>(232)</u>	<u>(20)</u>	<u>1,017</u>
Cash flows from non-capital financing activities:				
Transfers in	1,599	0	0	0
Transfers (out)	(74)	0	0	0
	<u>1,525</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash from investing activities:				
Interest received	699	271	34	251
	<u>1,105</u>	<u>39</u>	<u>14</u>	<u>1,268</u>
Net increase (decrease) in cash and cash equivalents	1,105	39	14	1,268
Cash and cash equivalents at beginning of period	11,366	4,680	555	4,446
Cash and cash equivalents at end of period	<u>\$ 12,471</u>	<u>4,719</u>	<u>569</u>	<u>5,714</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (1,083)	14	(20)	921
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	15	0	0	0
Change in assets and liabilities:				
Accounts and other payables	(51)	(246)	0	96
Net cash provided (used) by operating activities	<u>\$ (1,119)</u>	<u>(232)</u>	<u>(20)</u>	<u>1,017</u>

<u>Retirees'</u> <u>Health Plan</u>	<u>Employee</u> <u>Benefits Plan</u>	<u>Total</u>
143	65	4,908
(735)	(57)	(2,844)
0	0	(997)
0	0	(18)
0	(10)	(1,997)
<u>(592)</u>	<u>(2)</u>	<u>(948)</u>
0	0	1,599
0	0	(74)
<u>0</u>	<u>0</u>	<u>1,525</u>
<u>724</u>	<u>19</u>	<u>1,998</u>
132	17	2,575
<u>11,706</u>	<u>311</u>	<u>33,064</u>
<u>11,838</u>	<u>328</u>	<u>35,639</u>
(590)	0	(758)
0	0	15
<u>(2)</u>	<u>(2)</u>	<u>(205)</u>
<u>(592)</u>	<u>(2)</u>	<u>(948)</u>

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